VZCZCXRO1494
PP RUEHDBU
DE RUEHMO #3510/01 0941057
ZNY CCCCC ZZH
P 041057Z APR 06
FM AMEMBASSY MOSCOW
TO RUEHC/SECSTATE WASHDC PRIORITY 3583
INFO RUCNCIS/CIS COLLECTIVE PRIORITY
RUEHXD/MOSCOW POLITICAL COLLECTIVE PRIORITY

C O N F I D E N T I A L SECTION 01 OF 03 MOSCOW 003510

STPDTS

SIPDIS

E.O. 12958: DECL: 04/03/2016 TAGS: <u>PREL</u> <u>PGOV</u> <u>ENRG</u> <u>RS</u> <u>UP</u>

SUBJECT: RUSSIAN VIEWS ON POST-ELECTION UKRAINE

Classified By: Charge d'Affaires Daniel A. Russell. Reasons: 1.4(B/D).

11. (C) Summary. A week after the Ukrainian election results were announced, reactions in Russia vary widely. Officially, Moscow has been neutral, while the media has buzzed with speculation about the new government's formation and especially Tymoshenko's possible role. Russian pundits are concerned that Ukraine remains on a path toward accession to NATO. Unofficial contacts underscored the view that Russia lacks a cogent policy toward Ukraine, outside of energy politics and short-term business interests (which, they argued, often amount to the same thing). After the new government's formation, we expect Moscow to pursue its economic interests pragmatically while trying to stymie Kiev's NATO aspirations and casting about for more effective ways to salvage its own eroding influence in Ukraine. Underlying Russia's policy will be a continued propensity to see Ukrainian developments through an East-West prism and a continued reluctance to recognize the birth of an independent Ukrainian national consciousness. End Summary.

## Views on the Elections

- ¶2. (C) In a phone call to Yushchenko on March 29, Putin spun the elections as having reflected "Ukrainian citizens' desire to develop relations with Russia in all areas." The MFA had spoken in a similar tone March 28, saying that the citizens of Ukraine "made their choice" and made clear their desire to "develop and deepen relations of good neighborliness and partnership with Russia." In a meeting with the Ambassador March 29 (ref A), DFM Karasin called the election process "normal" and said it had resulted in no clear winner and considerable unknowns in how a government could be formed. Yushchenko had suffered from economic developments since the Orange Revolution and political infighting, Karasin said, while Yanukovich's Party of Regions had demonstrated it was a force to reckon with. Tymoshenko's strong showing put the ball in her court for forming a government, but that would take time. Karasin added that Russia was in any event looking for a serious partnership with Ukraine and predicted
- 13. (C) Ukraine Desk Senior Counselor Vyacheslav Yelagin also highlighted to us Russia's "strategic partnership" with Ukraine and explained the MFA's bland statement by claiming that 12 percent of Ukraine's registered voters had not been permitted to cast a ballot. Would the West have overlooked that irregularity, he asked, had the election taken place in Russia? In contrast, Ukrainian Charge in Moscow Leonid Osavolyuk told the DCM March 29 that the Russian MFA's official reaction to Ukraine's parliamentary election was not satisfactory: "Practically the entire rest of the world

the Putin-Yushchenko Commission would soon be more active.

congratulated Ukraine on its electoral process, and all Russia can say is, 'Elections took place'?" Osavolyuk also cast derision on the election-related comments of Duma Deputy Konstantin Zatulin and other Russian parliamentary observers. (Alluding to "secret information," Zatulin had asserted before the election that the GOU would attempt to falsify the voting.)

## Coalition Prospects

- 14. (U) Media coverage has centered on government formation and avoiding issues such as Black Sea Fleet basing or Transnistria. Carnegie Center's Dmitriy Trenin noted in Nezavisimaya Gazeta that the election, the freest in Ukraine's history, had brought no surprises but was a step in the right direction, although there would probably be a weak and perhaps short-lived coalition and a continuation of inter-clan infighting. Yanukovich, though entitled to feel "moral vindication" after his 2004 defeat, had not won. Council on Foreign and Defense Policy head Sergey Karaganov similarly noted in Rossiyskaya Gazeta that Ukraine's movement toward democracy was among the few in the post-Soviet area. Some newspapers predicted that Tymoshenko would emerge as PM following "palace intrigues," but others expected that
- 15. (C) Public Chamber member Andranik Migranyan told the Ambassador March 29 that, having returned from Kiev where he had met with Yanukovich and members of Tymoshenko's entourage, he felt Ukraine remained deeply divided into East and South against West and Kiev. His conclusion was that a "Blue-Orange" (Yushchenko-Yanukovich-Morozov) coalition would be best for Ukraine's integrity, although he was not certain

neither Yanukovich nor Yushchenko would permit that.

MOSCOW 00003510 002 OF 003

it was realistic. In a realpolitik sense, an Orange coalition in Kiev might be best for Russia, since it would be riven with personal antagonisms, making it fragile and probably not long-lasting. He thought Tymoshenko would be best placed as head of the Rada, where she could use her negotiating skills to try to put parliamentary majorities together. Union of Right Forces (SPS) leader Boris Nemtsov, a sometime advisor to Yushchenko, told the Ambassador (ref D) that negotiations to establish a new government would be prolonged and arduous, that most leading Ukrainian politicians were "criminal or corrupt," and that under any new government Ukraine's movement toward NATO would slow, because most Ukrainians (not only those in the East) were not enthusiastic about joining the Alliance.

## NATO-EU Accession

- 16. (C) Looking beyond government formation, Yelagin of the MFA Ukraine Desk warned that if Ukraine moved to join NATO, "Things cannot go on as before." It would be "unrealistic" for Ukraine to participate in the Single Economic Space with Russia, for example, while joining Western multilateral organizations. Many outside analysts see Ukraine's accession to NATO as very likely. Aleksandr Belkin of the Council for Foreign and Defense Policy said it was "on track" after the election, and Karaganov told us he understood a decision on membership was imminent. Karaganov had warned earlier in the press that Ukrainian membership in NATO would turn a border that had never previously served as a dividing line into the scene of "hundreds or perhaps even thousands of small conflicts, capable of growing into clashes, and into a political-military confrontation." He hoped the Ukrainian elite would display the "wisdom" necessary to avoid the damage that NATO accession would bring. He told us he hopes the West can be persuaded to slow down the pace of Ukraine's movement toward NATO.
- $\underline{\P}7$  . (C) Whatever the presumed outcome and timeline, even discussing Ukraine's possible accession to NATO or the EU can

strike a raw nerve. In a March 21 Nezavisimaya Gazeta article, Politika Foundation's Vyacheslav Nikonov characterized mention of Ukraine's possible NATO accession as a campaign tool to consolidate Yushchenko's Orange electorate. Vitaliy Tretyakov, chief editor of Moscow News, claimed bitterly that Ukraine's Euro-Atlanticism meant "anything goes as long as it hurts Russia."

Gas

¶8. (C) A number of analysts and MFA officials told us it unlikely that Ukraine's new government, whatever its composition, would revisit the January 4 gas deal, which was merely a "commercial dispute" (ref B). Trenin, however, thought that if Tymoshenko came to power, she would push for a revision. Several contacts believed that, once in a position of power, Tymoshenko would simply cut a new insider's deal to secure hydrocarbon revenue for her own circle. In any event, Vremya Novostey's Artem Dubnov told us, Ukraine would become more dependent on Russian gas, since Turkmenistan has over-promised its gas resources and would be unable to fulfill its commitments.

Moscow's Blind Spot

- ¶9. (C) The BBC's Konstantin Eggert told us that Yanukovich's Party of Regions was more business-oriented than pro-Russian, and its eastern Ukrainian base feared an influx of Russian big capital. Blind to Ukraine's newly emerging national identity, Eggert said, the Kremlin's maneuvers consistently backfired. While Russia would gain from simply recognizing Ukraine's independent path, Eggert predicted the GOR would continue fishing in murky water, trying to play one bloc off against the other. He noted a critical absence of CIS experts attached to the Presidential Administration and said Russia's foreign policy toward Ukraine was not informed by deep or comprehensive strategic thinking.
- 110. (C) Andrey Ryabov, a scholar with the Institute of World Economic and International Relations (IMEMO), struck similar themes in a March 31 meeting. He said Russian officials were telling themselves a fairy tale that there had been a "fatal crack" in the Orange Revolution; that Ukraine's economy would never survive in the international market apart from Russia; that eventually Ukrainians would grow tired of political confusion and seek simplicity in a strong leader (like in Belarus). In fact, however, Ryabov said, Ukraine would never again be a junior partner to Russia. Such wrong-headed mythologies, in his view, would prevent Russia from developing a long-term comprehensive policy toward Ukraine

MOSCOW 00003510 003 OF 003

(as opposed to simply chasing gas revenue). Like Eggert, Ryabov found fault with Moscow's CIS watchers in and out of government, calling them "unprofessional."

111. (C) Illustrating Ryabov's point, the CIS Institute's Kirill Frolov in a March 31 meeting dismissed Orange supporters as "Fascists," "Nazis," and "Russia-haters." Frolov wanted to know how America could support such people. The best course was for America and Russia to sit down and work out a deal to push for federalism in Ukraine, implying Western and Russian spheres of influence. Konstantin Zatulin, Director of the same Institute and a Duma Deputy, told the press there could be no improvement in relations with Russia until the idea of an "orange coalition" was discarded. It could only deepen the split between East and West in Ukraine.

## Comment

----

¶12. (C) Before the elections the GOR cultivated relations with the top three candidates, hoping for a post-election

dividend through pragmatic relations with any coalition government that might emerge. Pragmatism would likely include normal trade relations and a continued push for Kiev to make some accommodation for Russian language, culture and presence in eastern Ukraine. The GOR appears to expect Gazprom and RUE to continue to play key roles in Ukraine's gas transit system and domestic gas market.

- 113. (C) Russia would like to prevent or at least delay Ukraine's accession to NATO. Less obvious is how the GOR will pursue that goal. Some punitive measures against Ukraine have been floated, but many would entail as much pain on the Russian side of the border, and might well accelerate Ukraine's turn to the West.
- 114. (C) Russian officials remain reluctant to recognize the birth of an independent Ukrainian national consciousness and tend to view developments in Ukraine through an East-West prism. Any Orange success is read as yet another example of Western -- above all, American -- hostility toward Russia. More fundamentally, Moscow has been unable to identify a positive strategy for turning Ukraine back towards Russia. RUSSELL